UNITED
NATIONS

A

General Assembly

Distr.
GENERAL

A/AC.237/69
27 June 1994

Original: ENGLISH

INTERGOVERNMENTAL NEGOTIATING COMMITTEE
FOR A FRAMEWORK CONVENTION ON CLIMATE CHANGE
Tenth session
Geneva, 22 August - 2 September 1994
Item 4 (a) of the provisional agenda

MATTERS RELATING TO ARRANGEMENTS FOR THE FINANCIAL MECHANISM AND FOR TECHNICAL AND FINANCIAL SUPPORT TO DEVELOPING COUNTRY PARTIES

IMPLEMENTATION OF ARTICLE 11 (FINANCIAL MECHANISM), PARAS. 1-4

Report on specific near-term priorities and needs of developing countries

Note by the interim secretariat

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I. INTRODUCTION

A. Committee mandate

1. In the course of its discussion on the policy guidance regarding programme priorities to be provided to the operating entity or entities of the financial mechanism, the Committee, at its eighth session, concluded that "priority should be given to the funding of agreed full costs (or agreed full incremental costs, as appropriate) incurred by developing country Parties in complying with their obligations under Article 12.1 and other relevant commitments under the Convention. In the initial period, emphasis should be placed on enabling activities undertaken by developing country Parties, such as planning, endogenous capacity building including institutional strengthening, training, research and education, that will facilitate implementation, in accordance with the Convention, of effective response measures" (A/AC.237/41, para. 84 (iii)).

2. This conclusion was reiterated by the Committee at its ninth session (A/AC.237/55, para. 80). Since there might be other specific near-term priorities and needs of developing countries which have not yet been identified or considered, the interim secretariat was asked by the Committee to request submissions from Governments and relevant international agencies on the subject and submit a report thereon to the Committee at its tenth session (A/AC.237/55, para. 81). Accordingly, a request for submissions was issued by the interim secretariat on 4 March 1994.

B. Scope of the note

3. This note refers to:

(a) Submissions received from Antigua and Barbuda, and from Trinidad and Tobago on behalf of the Association of Small Island States (AOSIS);

(b) Written statements provided by the delegations of France and the United States of America at the ninth session; and

(c) Responses received from the United Nations Economic and Social Commission for Asia and the Pacific (UN/ESCAP), the Food and Agriculture Organization of the United Nations (FAO), United Nations Educational, Scientific and Cultural Organization (UNESCO) and United Nations Industrial Development Organization (UNIDO).

C. Possible action by the Committee

4. The Committee may wish to take account of the priorities and needs identified by the Governments and the United Nations system entities in its recommendations to the Conference of the Parties at its first session (COP 1) on the programme priorities to be provided to the operating entity or entities of the financial mechanism.

II. SUBMISSIONS

A. Submissions from Governments or groups thereof

5. In its submission, Antigua and Barbuda referred to the Programme of Action for the Sustainable Development of Small Island Developing States adopted at the Global Conference for the Sustainable Development of Small Island Developing States held at Bridgetown, Barbados, from 26 April to 6 May 1994. It called on the Committee to use the priority areas contained in that Programme of Action, notably chapters 1, 2, 3, 4, 7, 10, 11, 12, 13 and 14, as a basis for determining the needs of small island developing states.

6. In a submission by Trinidad and Tobago, on behalf of AOSIS, on adaptation, reference was made to Chapters 1 and 3 of the above-mentioned Programme of Action as providing the basis for identifying priority areas for the short and medium term.

7. The full texts of both submissions mentioned above have been reproduced in document A/AC.237/Misc.38. Copies of the Programme of Action will be available on request to delegations during the tenth session.

8. The submissions from France and the United States of America on priorities, presented during the ninth session of the Committee, have also been reproduced in document A/AC.237/Misc.38, at their request.

B. Summary of submissions from United Nations system entities

9. The information provided by UN/ESCAP, FAO, UNESCO and UNIDO addresses those priorities and specific areas of need which are related to their institutional mandates and have a bearing on climate change. Below are relevant extracts from the submissions on the priorities and needs of developing countries identified by the above-mentioned institutions.

10. The paper submitted by UN/ESCAP contains the report of the Consultative Meeting on the Development of a Regional Strategy on Climate Change held at Bangkok, Thailand, from 13 to 15 October 1993. That meeting considered issues relevant to the Convention, including the following topics:

(a) Greenhouse gas emissions, inventories and reduction strategies;

(b) Socio-economic aspects of climate change and climate variability;

(c) Information exchange, education and training;

(d) Regional strategies on climate change; and

(e) Cooperation and coordination: need for establishing an informal review and consultation process.

11. The meeting adopted as part of its report, an annex containing recommendations for a draft framework for a regional strategy on climate change for Asia and the Pacific and identified priority tasks to be addressed by UN/ESCAP. Considering the relevance of the recommendations to the current exercise being undertaken by the Committee to identify specific near-term priorities and needs of developing countries, the areas identified by the Consultative Committee for priority action by UN/ESCAP have been reproduced below with the hope that it would assist the Committee in its work.

12. Priority tasks to be addressed by UN/ESCAP:

(a) Development of regionally or nationally focused studies relating to climate change and associated environmental, social and economic issues, ensuring that these are appropriate for funding by donor agencies and countries on a bilateral or regional basis;

(b) Establishment of a regional network of experts and decision makers with expertise and responsibilities related to climate change and associated environmental issues, in order to facilitate the exchange of high-quality, relevant information on climate change and associated environmental, social and economic issues;

(c) Development of training programmes to assist countries and areas in the region in identifying and implementing, at the national level, the most appropriate and effective series of limitation, mitigation and adaptation strategies in response to the adverse socio-economic effects of climate change;

(d) Institutional strengthening at the regional and subregional levels, in order to establish centres of excellence that will:

(i) Collate national data on such topics as: (a) greenhouse gas emissions; (b) tropical cyclone frequency, intensity and impact; (c) vulnerability of social and economic systems (including minority and disadvantaged groups) to climate and sea-level variability and change; (d) social and economic impact of climate and sea-level variability and change; and (e) evaluations of the effectiveness of limitation, mitigation and adaptation strategies related to climate change;

(ii) Ensure that climate modelling activities and the preparation of climate change scenarios take into account regional needs and requirements, and that there is the capability, at both the national and regional levels, to interpret the results of climate modelling activities and to incorporate these in policy and other initiatives;

(e) Preparation of a regional synthesis of national inventories of greenhouse gas emissions and sinks and provision of a regional perspective on the effectiveness of limitation, enhancement, mitigation and other strategies that have been implemented at the national level in the region;

(f) Preparation of a regional synthesis of national studies of the vulnerability of social and economic systems (including minority and disadvantaged groups) to climate and sea-level variability and change and of the social and economic impact of climate and sea-level variability and change, and provision of a regional perspective on these two themes;

(g) Establishment of a project to produce a regularly updated overview of climate change impact in the region, leading to the identification of any unanticipated impact that requires regionally or internationally coordinated responses and, ultimately, to an evaluation of the effectiveness of limitation and adaptation strategies;

(h) Preparation of regionally based studies of the socio-economic impact of climate variability and change and of the appropriate response strategies for sectors that are critically sensitive to climate variability and change, such as water resources, energy, transport, fisheries, forestry and agriculture.

13. The strategy is to be implemented in three phases:

(a) The immediate task is for the Commission to assist countries in the region in addressing urgent needs relating to greenhouse gas emission inventories, climate change impact assessments and development of response strategies. This will involve raising public awareness and training of senior decision makers;

(b) The near-term task entails the identification of ongoing needs at the national level and the development of a regional strategy for addressing them;

(c) The longer-term task calls for capacity building at the national and subregional levels.

14. The submission from FAO has identified the following priority area. One of the urgent needs of developing countries is for them to prepare an inventory of changes in land cover and the intensity of land use on a geo-referenced basis. This is because the emissions of greenhouse gases in most developing countries are from rural land-use related sources. Available databases on land use are often of a broad, national-level statistical nature only. Reliable estimates on greenhouse gas emissions and uptake have to be based on more precise within-country geo-referencing of the various forms of land use: degree of deforestation and regrowth, frequency and extent of savanna burning, drainage of wetlands, intensity of animal husbandry, the type of crop production and farming systems (type of crop and crop sequences, number of months per year with actual growth,

intensity of inputs such as fuel, fertilizers and labour). Countries that do have such information use different criteria not only for classification (making regional comparisons difficult) but also in relation to greenhouse gas emissions. FAO recognizes these shortcomings and intends to support national efforts in developing countries by improving their geo-referenced databases on land cover and land use and the national capabilities to monitor relevant changes over the years.

15. Accompanying the submission was a proposal for the development of an international classification system and national to global databases on actual land uses which is expected to attract eventual joint financing from the financial mechanism of the Convention.

16. The submission from UNESCO draws attention to the following priority areas:

(a) Preparation of response strategies and adaptation for possible sea-level rise and increase of frequency of extreme events, as well as establishment of national capacity to use warning systems;

(b) Assessment of the impact of climatic scenarios on the hydrological cycle, and need to assess current processes connected with terrestrial-atmospheric interactions, especially the surface water hydrology for inputs into atmospheric general circulation models.

17. According to the submission from UNIDO, regional workshops organized by UNEP and other sponsors of country studies of greenhouse gas inventories in Africa, Eastern Europe and South America have revealed the following needs:

(a) A need to establish networks in the regions to enable experts to exchange information on greenhouse gas emission inventories;

(b) A need for countries in the regions to develop data which are more specific to their country or region;

(c) A need to continue training experts in the region who will be working on inventories;

(d) An urgent need for capacity building in greenhouse gas inventories in these countries and regions.

18. The UNIDO submission also referred to its capacity to assist in meeting the above-mentioned priority needs. In this context, it refers to a number of areas of activity, including:

(a) Assistance to Parties to meet their obligations through building in-country skills to generate and maintain greenhouse gases inventories. In addition, the inventory data generated will facilitate accurate identification of the contribution of industrial activity to total national and regional greenhouse gas emissions. It will also help in subsequent efforts to prioritize technical mitigation options;

(b) The extensive experience of UNIDO in assisting developing-country industries improve the efficiency with which they generate and use energy would make it appropriate for them to access and prioritize technical mitigation options while assisting developing countries to undertake inventories.

19. The focus of such an exercise would be on direct emissions from industrial and commercial combustion processes (boilers, furnaces, heaters and kilns) and on chemical transformation processes, transport and emissions arising from the use of solvents, as well as on fugitive emissions from industrial and commercial processes. Secondary energy consumers (such as motors using electrical power) responsible for emissions elsewhere (that is, from generating plants) will also be identified for the purpose of energy conservation and efficiency.

20. The potential for each of the following options will need to be determined:

- Increased combustion efficiency (where combustion plant employed)
- Fuel switching (lower carbon/hydrogen (C/H) ratio, renewables)
- Increased efficiency in energy use (power, steam and heat)
- Minimizing greenhouse gas emissions through improved systems and management techniques with current plant

21. Technical mitigation options should be prioritized based on:

- Current national energy-pricing policy
- Availability of technology (new plant and retrofitting)
- Total greenhouse gas emission reductions achievable assuming wide-scale deployment of the selected options
- Extent to which the selected options would employ indigenous technology development and manufacturing capability
- Cost/benefit analysis (engineering abatement cost model approach)

III. CONCLUSIONS

22. The above submissions have certain elements in common and these can be summarized as follows:

(a) Enhancement of the capabilities of national institutions and experts to assess the impact of climate change on economic, social and ecological systems and to prepare response strategies to adapt to or avoid such impacts;

(b) Preparation of national inventories of greenhouse gas emissions by sources and removals by sinks;

(c) Development, collection and dissemination of country-specific data relevant to climate change;

(d) Networks for the exchange of information among experts at the national, regional and global levels.

23. These conclusions are consistent with those agreed upon by the Committee at its eighth session, cited in paragraph 1, above.

24. In addition to the submissions received by the interim secretariat and presented in this note, the attention of the Committee is also drawn to the programme outlined in document A/AC.237/75 which places strong emphasis on capacity building and is consistent with the priorities and needs identified by the Committee.

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Summary of the "Guidelines for the preparation of first communications by Annex I Parties" (Annex to Committee decision 9/2)

Note by the interim secretariat

1. The Committee, at its ninth session, requested the interim secretariat to prepare a document for its tenth session "summarizing the key elements of the format adopted for communication of information by Annex I Parties pursuant to Article 12.2" (A/AC.237/55, para. 83). This format consists of the "Guidelines for the preparation of first communications by Annex I Parties" annexed to decision 9/2 of the Committee. The summary of these Guidelines is presented in the annex to the present note.

2. This request by the Committee followed the conclusion of a discussion of the financial needs arising under the Convention with respect to capacity-building activities in developing country Parties, to enable them to fulfil their obligations under Article 12.1 (see A/AC.237/55, para. 82).

3. The summary of the Guidelines is envisaged as a contribution to further discussion of this subject by the Committee at its tenth session. It may also be taken into account by the meeting of experts from developing countries that may be convened on that occasion (see A/AC.237/55, paras. 82-83). It should be noted, however, that the Guidelines in decision 9/2 are specific to the

commitments of Annex I Parties with respect to the communication of information and are not relevant in all respects to the more limited set of commitments applicable to all Parties under Article 12.1.

4. In effect, Article 12 establishes common as well as differentiated responsibilities relating to the communication of information by Parties. Article 12.1 stipulates the elements of information to be provided by all Parties. Article 12.2 specifies additional, more detailed elements of information that Parties included in Annex I are to provide. Article 12.3 deals with further details to be provided by Parties included in Annex II on measures taken in accordance with Article 4, paragraphs 3, 4 and 5.

5. Moreover, under Article 12.5 Parties included in Annex I are to make their initial communication within six months of the entry into force of the Convention for each Party. Other Parties are to make their initial communication within three years of the entry into force of the Convention for that Party or of the availability of financial resources in accordance with Article 4. Parties that are least developed countries may make their initial communication at their discretion.

6. The Guidelines adopted by the Committee for the preparation of first communications by Annex I Parties have three principal purposes, as stated in their paragraph 1:

"(a) To assist Annex I Parties in meeting their commitments under Articles 4 and 12;

(b) To facilitate the process of considering the national communications, including the preparation of useful technical analysis and synthesis documentation, by encouraging the presentation of information in ways that are consistent, transparent and comparable; and

(c) To ensure that the Conference of the Parties has sufficient information to carry out its responsibilities to review the implementation of the Convention and the adequacy of the commitments in Article 4.2(a) and (b)."

7. It may be noted that the Guidelines foster a flexible approach in determining the type of information to be provided. The key words "should", "encourage" and "may" are used in relation to different types of information to be communicated. These key words provide a basis for distinguishing between information that Annex I Parties are required to communicate under the Guidelines and that which they are to provide voluntarily. This is the approach used in the summary annexed to this note.

8. The summary is necessarily illustrative. A full understanding of the Guidelines can only be based on the complete text.

Annex

SUMMARY OF THE "GUIDELINES FOR THE PREPARATION OF FIRST COMMUNICATIONS BY ANNEX I PARTIES" (ANNEX TO COMMITTEE DECISION 9/2)

Note: Numbers in square brackets correspond to paragraph numbers in "Guidelines for the preparation of first communications by Annex I Parties" (A/AC.237/55, annex I, annex to decision 9/2).

A. Coverage/cross-cutting issues

9. The Guidelines provide that the national communications **should** include/address the following:

(a) Full range of actions to implement Convention obligations (emissions/removals, adaptation, research, education and other actions); [2]

(b) All anthropogenic emissions and removals of all greenhouse gases not controlled by the Montreal Protocol; [3]

(c) A qualitative discussion of uncertainty in data and underlying assumptions (quantitatively where possible); [10]

(d) If global warming potentials used, should use IPCC information/1992, direct effects, 100-year time horizon. [5]

10. The Guidelines provide that the national communications **may** include/address the following:

- Use of global warming potentials in inventories and projections (with conditions - IPCC information/1992, direct effects, 100-year time horizon. In addition, other time horizons and indirect effects of methane permitted but in addition to standard presentation). [5]

B. Inventories

11. The Guidelines provide that the national communications **should** include/address the following:

(a) Data on emissions and removals of CO_2, CH_4 and N_2O; [11]

(b) Data presented on gas-by-gas basis; [4]

(c) Emissions and removals listed separately (except where technically impossible); [4]

(d) Base year - 1990 (economies in transition can request flexibility subject to COP approval); [6]

(e) Use IPCC Draft Guidelines, including recommended standard tables and formats; [12]

(f) If use own methodology, provide sufficient documentation to back up data presented; [12]

(g) Enough information to allow reconstruction and assessment of inventory (per IPCC Draft Guidelines); [13]

(h) Transparent presentation of any methodological or data gaps; [11]

(i) Data on emissions from bunkers, in a separate category and, as far as possible, not included in national totals. [14]

12. The Guidelines **encourage** Annex I Parties to provide the following:

(a) Data on precursors CO, NO_x, VOCs; [11]

(b) Data on other greenhouse gases (e.g. PFCs, HFCs, SF_6); [11]

(c) Information on historical trends (e.g. 1970-1990). [15]

13. The Guidelines provide that the national communication **may** include/address the following:

(a) Inventory data for years subsequent to 1990; [7]

(b) Presentation of inventory data in other forms (e.g. per capita), but include in another section. [15]

C. Policies and measures

14. The Guidelines provide that the national communication **should** include/address the following:

(a) Overall policy context (including any targets); [18]

(b) Descriptions of policies/measures implemented or committed to since base year that make a significant contribution to the Party's efforts to reduce greenhouse gases; [16]

(c) Organized by gas and by sector as per recommended structure (see appendix); [19]

(d) With respect to each individual policy or measure:

(i) Objective of the policy/measure (regarding gas(es)/sector(s) targetted); [20(a)]

(ii) Status of implementation of the policy/measure; [20(d)]

(iii) Type of policy instrument involved in the policy/measure (e.g. regulatory, fiscal, education, voluntary, research and development related to mitigation) ; [20(b)]

(iv) How the policy/measure interacts with other policies/measures; [20(c)]

(v) How the policy/measure is expected to function or is functioning; [20(e)]

(vi) Intermediate indicators of progress for the policy/measure; [20(f)]

(vii) How greenhouse gas effects to be monitored over time. [20]

15. The Guidelines provide that the national communications **may** include/address the following:

(a) Actions implemented by regional/local governments and private sector (avoid double-counting, some aggregation is preferable); [17]

(b) Policies and measures adopted in context of international/regional efforts towards coordination of instruments; [17]

(c) Information on cost of policy or measure; [21]

(d) Policies and measures adopted before the base year (to include in basic data section); [22]

(e) Policies and measures under consideration (to include in separate section). [23]

D. **Projections and assessments of effects of measures** (may use models/approaches of choice)

16. The Guidelines provide that the national communications **should** include/address the following:

(a) Projection of emissions/removals for year 2000: [8, 24]

- for CO_2, CH_4 and N_2O (minimum information); [25]
- data presented on gas-by-gas basis; [4, 26]

- incorporating effects of policies and measures implemented or committed to when communication produced ("with measures" scenario) - to extent possible; [24]

- emissions and removals listed separately (except where technically impossible). [4]

(b) Specific estimate of total effect on emissions/removals in the year 2000 of all policies and measures implemented or committed to since the base year - to extent possible; [27]

(c) Specific estimate of effects of individual policies and measures (wherever possible); [28]

(d) Enough information for qualitative understanding of model/approach; [29(b)]

(e) Summary of strengths and weaknesses of model/approach, with indication of scientific credibility; [29(c)]

(f) Ensure models/approaches account for overlaps/synergies; [29(d)]

(g) Enough information for quantitative understanding of key assumptions - provide values of key assumptions for base year and 2000 (may draw upon illustrative list). [30]

17. The Guidelines **encourage** Annex I Parties to provide the following:

(a) "without measures" scenario projection; [24]

(b) Projections of greenhouse gases other than CO_2, CH_4 and N_2O; [25]

(c) Projection of data for one or more years prior to 2000; [8]

(d) Projections beyond 2000 (e.g. 2005 and/or 2010); [8]

(e) Findings of sensitivity analyses (how results are affected by changes in key assumptions). [31]

18. The Guidelines provide that the national communications **may** include/address the following:

(a) Disaggregation by sector of projection; [26]

(b) Information on other key outputs of models/approaches for base year and 2000 (drawing upon illustrative list). [30]

E. **Vulnerability assessment and adaptation measures**

19. The Guidelines provide that the national communications **should** include/address the following:

(a) Expected impacts of climate change (brief); [32]

(b) Actions to implement Article 4.1(b) and (e). [32]

F. **Finance and technology (Annex II countries only)**

20. The Guidelines provide that the national communications **should** include/address the following:

(a) Actions to implement Article 4.3, 4.4 and 4.5; [33]

(b) Contributions to financial mechanism (distinguish between 2 phases); [33(a)]

(c) Financial resources provided through bilateral, regional and other multilateral channels (mitigation and adaptation); [33(b)]

(d) Other information (technology transfer/access; government and private sector). [33(c)]

21. The Guidelines provide that the national communications **may** include/address the following:

- expected future resource allocations. [34]

G. **Research and systematic observation**

22. The Guidelines provide that the national communications **should** include/address the following:

(a) Actions relating to research and systematic observation (not description of results); [35-37]

(b) Actions to support capacity building in developing countries. [36]

H. **Education, training and public awareness**

23. The Guidelines provide that the national communications **should** include/address the following:

- actions on education, training and public awareness (domestic and international, including public participation in preparation of national communication). [38]

I. Special considerations

24. The Guidelines provide that the national communications **should** include/address the following:

- if seeking to use Article 4.6 or 4.10, clear statement of special consideration sought and adequate explanation of circumstances. [6, 39-40]

25. The Guidelines provide that the national communications **may** include/addresss the following:

- seek flexibility or special consideration (with conditions - state clearly the special consideration sought and provide explanation of circumstances). [39-40]

J. Basic data (National circumstances)

26. The Guidelines provide that the national communications **may** include/address the following:

(a) Population profile data; [41(a)]

(b) Geographic profile data; [41(b)]

(c) Climatic profile data; [41(c)]

(d) Economic profile data; [41(d)]

(e) Energy profile data; [41(e)]

(f) Social profile data. [41(f)]

Appendix

POLICIES AND MEASURES ORGANIZED BY GAS AND BY SECTOR AS PER RECOMMENDED STRUCTURE*

Carbon dioxide

- Energy and transformation industries

Transport

- Industry (energy-related)
- Industry (non-energy)
- Residential and commercial
- Agriculture
- Land use change and forestry
- Cross-sectoral

Methane

- Waste management (including sewage treatment)
- Agriculture (non-energy)
- Fugitive Fuel Emissions
- Industry (non-energy)
- Industry (energy-related)

Nitrous oxide

- Industry (non-energy)
- Industry (energy-related)
- Agriculture (non-energy)
- Transport
- Energy and transformation industries

Other greenhouse gases and precursors

Transport

- Energy and transformation industries
- Industry (non-energy)
- Industry (energy-related)
- Residential and commercial
- Land use change and forestry
- Solvent and other product use

* See annex, section C, para.14 (c), above.